

**STATE OF CALIFORNIA
CALIFORNIA CULTURAL AND HISTORICAL ENDOWMENT
BOARD MEETING MINUTES**

**Tuesday, February 3, 2009
10:00 A.M.**

Location: California State Library
Library and Courts Building I
914 Capitol Mall, Room 500
Sacramento, CA 95814

Members of the Board in attendance:

Ms. Susan Hildreth, Chair
Mr. Mike Chrisman, represented by Mr. Bryan Cash
Mr. Michael Genest, represented by Ms. Jeannie Oropeza
Ms. Georgette Imura
Ms. Carmen Martinez
Mr. Bobby McDonald
Ms. Carla Sands
Mr. James Irvine Swinden

Legislative Representatives in attendance:

Assemblymember Mike Davis
Senator Christine Kehoe, represented by Ms. Deanna Spehn

Staff in attendance:

Ms. Mimi Morris, Executive Officer
Ms. Marian Moe, Deputy Attorney General
Ms. Angela Kwong, Office Coordinator

Also present:

Mr. Daniel Ainslie, City of Merced
Mr. Scott Baxter, Fiddletown Preservation Society
Mr. John Chavez, Councilmember, City of Chowchilla
Mr. Jeff Eorio, City of San Ramon
Ms. Diane Filippi, SPUR
Ms. Charmaine Jefferson, Friends of the Foundation of the African-American Museum
Mr. Jim Martin, Navarro-by-the-Sea Center
Mr. Ken Novice, Pasadena Playhouse
Mr. Brad Price, Pasadena Playhouse
Ms. Nancy Red, City of Chowchilla

Ms. Grace Solis, Arte America
Ms. Barbara Takei, Tule Lake Committee
Ms. Brenda Tyson, Friends of the Foundation of the African-American Museum

1. Roll Call

Office Coordinator Kwong called the roll; a quorum was established.

2. Chairperson's Report

Chair Hildreth noted that Ms. Betsy Reeves has resigned from the Board and relocated to Florida.

Chair Hildreth also mentioned that this will be her last meeting as Chair. She is leaving in a few weeks to assume the position of City Librarian for the Seattle Public Library.

3. Approval of Minutes from November 19, 2008 Meeting

Upon motion by Board Member McDonald, seconded by Board Member Martinez, the November 19, 2008 Minutes were approved.

4. Executive Officer's Report

Executive Officer Morris reported the following:

- The Point Arena Lighthouse Renovation Project, which received \$1.2 million in CCHE funding, was recently completed.
- The California Conservation Corps Institute, which received a CCHE grant of \$34,000, has completed the development of a conceptual site plan, floor plan, and exterior design rendering.
- The Fiddletown Preservation Society's renovation of two buildings -- the general store and the gambling hall -- has been completed. Both structures are on the National Register because of their importance to the story of the gold rush. CCHE provided almost \$208,000 towards the cost of the renovation.
- Angel Island's restoration of the hospital and immigrant barracks and creation of the Interpretive Center is finishing up. The museum is expected to open to the public on February 15.
- The Sahm Fow Chinese Community has finished the first phase of their restoration of the Bok Kai Temple in Marysville.
- Unfortunately, Copia - the American Center for Wine, Food and the Arts and a Round 3 grant recipient, has filed for bankruptcy protection. Staff notified the

grantee, the Chair of the Copia Board, of CCHE's intent to terminate their grant agreement on December 30, 2008. The termination means that no other invoices will be paid and the \$58,000 balance of the award will return to the general grant fund.

- The general grant fund, after taking the Copia grant termination into consideration, has a current residual funds balance of just over \$1 million.
- California's Pooled Money Investment Board (PMIB) decided to freeze interim loans in order to preserve the state's cash reserves. PMIB's action was followed by a directive from the Department of Finance instructing all state departments and agencies to cease authorization of any new grants or obligations from bond projects, among other requirements. All CCHE active grantees were notified of the freeze on December 19th, and a subsequent letter sent to them. While the freeze is in effect the Board cannot approve funding for the three applicants who currently have a reservation of funds and cannot enter into any new grant agreements.
- The Rural Media Arts and Education Program has appealed the court decision denying their attorneys' fees in the Superior Court to the 1st District Court of Appeals.

5. Review of Round 1 Projects

5.1 Applicant: Breed Street Shul Project, Inc.

Executive Officer Morris reminded the Board that the project has a funding award of \$235,000. The grantee has decided to scale down the project's scope from the renovation of two buildings to one building and has also produced documents requested by the Board. They maintain that they will be able to meet the project completion deadline of December 31, 2009.

6. Review of Round 2 Projects

6.1 Applicant: Friends of the Foundation of the African-American Museum

(6.1 is related to 7.1 below; 6.1 must be completed before 7.1 can begin) Executive Director Morris provided an update to the Board on this \$100,000 planning grant. The staff report cites a pattern of non-submission of progress reports and the close-out report. However, the Museum has been very responsive recently and staff is now more confident of their ability to bring the Round 2 phase of the project to a close.

Executive Officer Morris noted that, although the above grantee has responded, staff has asked the Board to approve a hearing process for possible revocation of funding in the future. Staff envisioned that there may be other grantees who potentially require a hearing and suggested that the hearing process be approved as a general procedure available to staff. Staff prepared Resolution 2009.01 to that effect.

Upon motion by Board Member Imura, seconded by Board Member McDonald, the Board approved Resolution 2009.01, which makes available to staff, as a general procedure, a hearing process for possible revocation of funding.

7. Review of Round 3 Projects

7.1 Applicant: Friends of the Foundation of the African-American Museum

This is a \$200,000 planning grant (*related to 6.1 above*).

7.2 Applicant: City of San Ramon

This is a \$253,224 grant for the renovation of a walnut shed, which will serve as a learning center. The project received a notice of postponement from the City in 08/09 but has since received a signed resolution from the City committing \$253,000 to the project in 09/10. Staff recommends that the Board allow the City to proceed.

Mr. Jeff Eorio, City of San Ramon Parks and Customer Services Director, stated that the City is very confident in assuring the Board that they are fully committed to the project and are ready to enter into a grant agreement with the Board as soon as possible and move forward on the project.

Upon motion by Board Member McDonald, seconded by Board Member Imura, the Board resolved to approve an extension to the City of San Ramon Parks and Community Services.

8. Review of Round 3 Projects with Reservation of Funding

Executive Director Morris remarked that all of these projects were given one year from the date of reservation of funding to resolve all issues related to the project. The Board has the ability to either extend or not extend the reservation beyond the one year timeframe.

8.1 Applicant: The California Museum for History, Women and the Arts

The applicant indicated to staff that they will not be able to raise the required funds leading staff to recommend that the Board not extend the reservation of funding for this applicant.

Upon motion by Board Member McDonald, seconded by Board Member Martinez, the Board resolved to not extend the deadline for reservation of funding for Applicant 8.1. The funds now become available as a part of the general grant funding.

8.2 Applicant: Pasadena Playhouse State Theatre of California, Inc. (PPST)

Staff recommended that the Board extend the reservation of funding to the next Board meeting, at which time (hopefully) the ability of the State to enter into new grant agreements will be restored. Staff has prepared Resolution 2009.04 to that effect.

Mr. Brad Price, Director of Development for PPST, and Mr. Ken Novice, PPST Interim Managing Director, spoke on behalf of extending the reservation of funding for the project.

Upon motion by Delegate Cash, seconded by Board Member McDonald, the Board resolved to extend the reservation of funding for PSST to the next Board meeting.

8.3 Applicant: City of Chowchilla

A funding amount of \$698,724 has been reserved and would be used for working drawings and construction costs of the Chowchilla Heritage Welcome Center.

Staff recommended tabling the issue until the next Board meeting to give the Applicant the opportunity to explain to the Executive Officer why their project meets the Standards of the Secretary of the Interior for the Preservation of Historic Buildings.

Ms. Nancy Red, City of Chowchilla Administrator, fully supported staff's recommendation and thanked them for the mutual concerns and discussions they have had over the last couple of months. The Chowchilla City Council has informed her that they can have a confirmed answer regarding the application within a month's time.

Upon motion by Board Member McDonald, seconded by Board Member Sands, the Board resolved to table the issue until the next Board meeting.

9. Review of Options and Draft Application for Residual Funds

As mentioned earlier, the current residual funds balance is just over \$1 million, but grows to \$3 million as a result of the removal of the reservation of funding for the California Museum. There are three options the Board is currently considering:

- Option 1 is open to Round 2 and Round 3 Applicants who received a reservation of funding from the CCHE Board.
- Option 2 is open to Round 2 and Round 3 Applicants who passed the minimum threshold requirement and scored in the top 25% of their division, but did not receive funding from the Board.

- Option 3 is open to Round 2 and Round 3 Applicants who passed the minimum threshold requirement, but did not score in the top 25% of their division and did not receive a reservation of funding from the Board.

During Public Comment, several speakers spoke on behalf of the various Options:

- Mr. Jim Martin, Navarro-by-the-Sea Centers, asked that the Board consider the vulnerability and risk to resources inherent in possible projects. Their project, the renovation of Captain Fletcher's Inn at the mouth of the Navarro River in Mendocino County, was built in 1865. The foundation is becoming increasingly unstable, as it is subject to high tides, and a creek currently runs through the bottom of the building, which has destroyed a portion of the rear of the building. Their stabilization plan will physically lift the building above those risks, reconstruct the perimeter foundation, and stabilize the back of the adjoining hillside. However, if action is not taken in the next few years the building will be so far gone that they won't be able to save it financially or structurally.
- Mr. Daniel Ainslie, City of Merced, thanked the Board for their support to the Merced Theater. Given the current economic situation, they are experiencing difficulty in acquiring the final amounts of monies needed to complete the theater project. They support Option 1.
- Ms. Barbara Takei, Tule Lake Committee, stated that they applied in Rounds 2 and 3 but did not receive funding. They support Option 3. Board Member Imura noted that Modoc County (Tule Lake is located in Modoc County) has not yet received any funding from CCHE.
- Ms. Diane Filippi, SPUR, expressed their support for Option 1.
- Mr. Robert Baxter, Fiddletown Preservation Society, expressed their support for Option 1.

Board Members discussed combining Options 1 and 2, with a focus on project readiness and the need for clarity regarding the specific criteria required for funding consideration.

After more discussion, Board Member Swinden proposed a motion combining Options 1 and 2, with a \$500,000 maximum and \$100,000 minimum amount. Projects need to basically be "shovel ready" to go. CEQA needs to either be in place or the staff can provide an exemption, if that's the case. The matching funds will allow a 40 percent reduction; i.e. a 60 percent match, but the match has to be in place at the time of the application. He proposed that staff wordsmith the appropriate language for the motion and the Board be prepared to vote on the properly worded motion at the next Board meeting.

Deputy Attorney General Moe further clarified that the decision will be made in terms of the options that the Board wants to proceed with, and staff will be asked to prepare documents

to implement that. But the actual release of the application materials will wait until the May meeting to allow a decision to be made on the specific timelines.

The Board unanimously approved Member Swinden's motion, and staff will prepare the appropriate documents for a final vote at the May Board meeting.

10. Public Comments

Ms. Grace Solis, Director of Arte America in Fresno, recipient of a \$500,000 grant in July 2007, updated the Board on Arte America's situation. Although they have completed their project and submitted final invoices, their funds have been frozen (a result of the budget impasse). They are currently being sued by their principal contractor. In addition, another contractor has filed a smaller lawsuit.

As a result, they are now in serious danger of losing their building. If any emergency funds are available for this type of situation, they would very much appreciate being placed on that emergency funds critical list. Delegate Cash expressed thanks for the update. He noted that, in the Resources area alone, over 3,600 projects have either come to a stop or no payments have been made. Delegate Oropeza remarked that the same thing is happening in K-12, with over 700 projects on hold and over \$2 billion that hasn't gone out.

Chair Hildreth thanked Ms. Solis for coming before the Board and updating them.

12. Board Member Comments

On behalf of the legislative members of the Commission, Board Member De La Torre presented a resolution to Chair Hildreth, thanking her for her dedication and expressing sincere best wishes for her during her "retirement." He personally thanked her for her service with CCHE and as the State Librarian. Chair Hildreth expressed her appreciation and thanks for the opportunity to work with the Board.

14. Adjournment

The meeting was adjourned at 11:45 a.m.